

46

707

*ARMY Declass/Release
Instructions On File*

~~TOP SECRET~~

GENERAL

1. Transjordan thought to want end of Palestine war--An officer of the US Consulate General at Jerusalem gained the impression from recent conversations that many Transjordan Government officials and their British advisers desire an end to the Palestine war if an honorable way out, involving no loss of prestige, can be found for Transjordan. These officials believe that: (a) the reappearance of rivalries among the Arab states will weaken the Arab war effort; (b) time favors the Jews; (c) the war cannot possibly end in victory for the Arabs; and (d) King Abdullah does not wish to risk losing his army and thereby forfeit his present strong position vis-a-vis the other Arab states.

EUROPE

2. FRANCE: Strong opposition to London agreements on Germany--US Ambassador Caffery reports that in conversations with various French political leaders he has encountered strong opposition to the London recommendations on Germany. Caffery comments that much of the opposition stems from personal dislike of Foreign Minister Bidault and the "high handed" way he is running foreign policy; Caffery remarks that Bidault is the only man in the French Government who would have sponsored the London agreements. The chairman of the Assembly Foreign Affairs Committee has told Caffery that he does not believe he "will dare" to vote for the London agreements in the face of the almost unanimous opposition of the French people, who, he claims were inadequately prepared for a major change in French policy. Caffery reports that Cabinet discussions of the agreements "did not go well" and are being continued.

Concerning De Gaulle's present stand on the London agreements, Caffery does not believe that the US Embassy has effectively modified De Gaulle's attitude. Caffery says that De Gaulle's hatred of Bidault is extreme, and he believes that the Gaullists are "increasingly determined" to overthrow the

State Dept. review completed

Document No. 059

NO CHANGE in Class. ☐~~1~~ - ~~DECLASSIFIED~~

Class. CHANGED TO: TS S C

~~TOP SECRET~~

DDA Memo, 4 Apr 77

Auth: DDA REG. 77/1763

Date: 14 MAR 1978 By:

25X1

ARMY review completed

TOP SECRET

Schuman Government on the German issue. A leader of the rightist Republican Party of Liberty has informed Caffery that there is strong opposition in his party to the London agreements and that this opposition may be increased by De Gaulle's expected condemnation of the Government.

(CIA Comment: CIA believes that the French Assembly will accept the recommendations on Germany; see attached Annex for an analysis of the probable action of the Assembly.)

3. **GREECE:** Griswold and Van Fleet warn against aid reduction-- AMAG Chief Griswold and General Van Fleet express their "unequivocal" belief that any reduction of US military aid to Greece (as contemplated by the US House of Representatives) would seriously jeopardize AMAG objectives by curtailing the Greek Army's operations and by encouraging the guerrillas to husband their resources for a new effort next winter. Griswold points out that failure of the Greek Army to establish security in most of Greece this summer would: fill the Greek people with despair and thus destroy economic recovery, magnify the refugee problem, nullify reconstruction accomplished to date, and require Greece to wage another military campaign of the present scope next summer "which it simply cannot afford." Griswold adds that reduced appropriations would also curtail the intensive security measures which must be carried out even if major rebel concentrations are defeated this year.

FAR EAST

4. **CHINA:** Unlimited US military advice recommended--The Air Division Director of the AAG (US Army Advisory Group) in Nanking believes that the military situation of the National Government has reached a critical stage where any efforts to reverse the present trend "must be made immediately, else the situation will become impossible." According to the Air Division Director, the Communists presently appear capable of dominating

TOP SECRET

~~TOP SECRET~~

Manchuria and all of China north of the Yangtze River; he points out that such domination would probably result in the collapse of the National Government. The Director recommends, with the concurrence of the Chief of the AAG, that present US policy be reviewed with a view to the authorization of "unlimited military advice and staff assistance to the Chinese armed forces, coupled with authority to monitor any US logistical support planned for the future to promote acceptance of operational advice." The Director emphasizes that the granting of this authority will not assure the halting of further deterioration of the situation.

5. INDONESIA: US delegation views on Dutch plan--Chairman Dubois of the US delegation to the UN Good Offices Committee believes that no real compromise is possible between the current plans of the US delegation and the Netherlands for the creation of a United States of Indonesia. Dubois believes that the US delegation plan would result in an orderly Indonesian Government strongly disposed to cooperate with the Dutch and the West, while the Dutch plan would lead to long-range political and economic instability. Meanwhile, US Embassy The Hague reports that within the next two or three days the Netherlands Government will probably issue a statement requesting clarification of the Republic's relations with the USSR and pressing for unilateral discussions with Republican leaders.

(CIA Comment: CIA believes that the Dutch will make every effort to prevent the presentation to the Good Offices Committee of the US delegation plan and will accelerate their attempts to minimize the influence of the Republic in the projected United States of Indonesia.)

- 3 -

~~TOP SECRET~~

~~TOP SECRET~~

A N N E X

9 June 1948

**PROBABLE RESULT OF FRENCH ASSEMBLY DEBATE ON THE
LONDON AGREEMENTS ON GERMANY**

Faced with the US and UK decision to establish a provisional German government in the US-UK Zone, if France refuses to accept the London agreements, the French Government will make every effort to obtain Assembly approval of the program prepared in the British capital. Debate in the Assembly is scheduled to begin on 11 June.

Although Premier Schuman may be compelled to demand a vote of confidence in order to carry his policy through the legislative body, he will probably receive final approval after what promises to be a prolonged and heated discussion. Assembly acceptance of the agreements is believed assured. The delegates will realize that: (a) the concessions made to France are real and advantageous; (b) the US has done everything possible at the present time to guarantee French security against a revived Germany; and (c) French economic and security requirements would have to be renegotiated on a less favorable basis, if France fails to ratify the London agreements and the US and UK proceed with independent reorganization of their zone without making provision for the internationalization of the Ruhr or the establishment of other French security guarantees.

In addition to the above considerations, Schuman is believed to possess enough strength in the Assembly to win his vote of confidence even if the Gaullists and the Communists attempt to effect the fall of the Government at this time.

- 1 -

~~TOP SECRET~~